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May 18, 2000

Mr. David Waddell Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37219-0412

#### VIA HAND DELIVERY

Re:

DV2, Inc's ("DV2") Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Intrastate Interexchange Services in the State of Tennessee ("Application"); Docket No. 00-00351

Dear Mr. Waddell:

The following addresses the Tennessee Regulatory Authority's ("TRA") request for additional information regarding DV2's Application.

# I. Administrative Requirements

1. Who are the shareholders?

DV2's shareholders are:

Deborah Bass Hinkle 55%
Jeffrey W. Hinkle 33%
Relatives of the Hinkles 12%

Currently, DV2 is in the process of raising additional capital through the sale of equity to private and institutional investors. As such, the number of DV2's shareholders is likely to increase in the future. Furthermore, in the future, certain of DV2's shareholders might be unaffiliated corporations.

2. If applicable, provide the DV2's involvement in pertinent mergers, acquisitions etc.?

Not applicable.

## II. <u>Managerial Requirements</u>

Provide the following managerial information of the Company:

1. Degrees: (BS, BA, MBA, etc.) accounting, engineering, etc.

Jeffrey W. Hinkle - BSBA in Operations Management from Auburn University

- MBA in Marketing from Saint Mary's

- 2. Professional licenses: CPA, etc. Not Applicable
- 3. Experience in management and telecommunications.

DV2's management team is led by Jeffrey W. Hinkle, an individual who has distinguished himself in executive positions with some of the largest communications equipment and service companies in the United States such as BellSouth Telecommunications, Inc., Sun Data Inc. and General Electric ITS. A description of Mr. Hinkle's technical and managerial ability is attached hereto at Exhibit "A".

### II. <u>Technical Qualifications</u>

Provide the following information regarding the proposed network data:

1. Location of switches - i.e., cities.

DV2 intends to deploy a switch in Nashville, Tennessee.

2. Specify engineering expertise: Retained firm, staff electrical engineer, etc. Data regarding key technical staff.

DV2's engineering expertise exists internally as illustrated in DV2's management biographies (e.g., Jeffrey W. Hinkle), and externally through DV2's vendors (e.g., Lucent Technologies, Inc.).

3. State if there are any special CPE (Customer Premise Equipment) requirements that would not be compatible with an incumbent carrier.

DV2 will not require customers to purchase telephone Customer Premise Equipment that is incompatible with the systems of other local exchange carriers in the event that a customer decides, in the future, to transfer its service to another local exchange carrier.

- 4. Repair and Maintenance
  - a) Ensure customer service will meet needs of customer.

DV2's customers in Tennessee may contact DV2's customer service representatives regarding a broad range of service matters, including: (i) the types of services offered by DV2 and the rates associated with such services; and (ii) problems or concerns pertaining to the consumer's current service. DV2's customer service representatives will be available to assist consumers twenty-four (24) hours per day, seven (7) days per week.

b) Phone number for repair and maintenance (customer service).

DV2 has not yet established a telephone number for repair and maintenance in Tennessee. However, customers may call (404) 230-9150 with repair and maintenance-related questions. Prior to offering service in the State of Tennessee, DV2 intends to establish a toll-free telephone number for repair and maintenance.

c) Address for written communication of repair and maintenance.

DV2's address for repair and maintenance inquiries is: DV2, Inc., 55 Marietta St., NW, Suite 1720, Atlanta, Georgia 30303.

d) Name and address of Tennessee contact person responsible for and knowledgeable about provider's operations.

DV2 is headquartered in Atlanta, Georgia and does not yet have any personnel physically located in the State of Tennessee. DV2's contact person who is responsible for, and knowledgeable about, DV2's operations is: Jeffrey W. Hinkle, DV2 Inc., 55 Marietta St., NW, Suite 1720, Atlanta, Georgia 30303. In addition, DV2's registered agent for service of process in Tennessee is: CT Corporation System, 530 Gay Street, Knoxville, Tennessee 37902.

### III. <u>Financial Qualifications</u>

Provide the following financial information of the DV2:

1. Estimated cost of network, switches, and unbundled network elements (UNEs).

The estimated costs of DV2's equipment to be deployed in Nashville, Tennessee is as follows:

 Lucent Pathstar Switch:
 \$185,000

 Cisco 15454
 \$50,000

 Cisco 7576
 \$90,000

Cisco 6509 \$85,000 (each)

Cisco Access Path \$80,000 Cisco Call Manager \$18,000

Other Build-Out Expenses \$250,000 (includes HVAC and electricity)

In addition, Exhibit "B", which has confidential and proprietary information and is filed separately under seal, contains DV2's Pro Forma Income Statement and includes detailed information with respect to DV2's costs of equipment, network, switches and unbundled network elements.

2. Please quantify any amounts included in financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

There are no amounts included in DV2's financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

3. Most recent audited financial statements. (Balance Sheet, Income Statement, and Statement of Cash Flows).

DV2's most recent financial statements for the year ended 1999, are attached hereto at Exhibit "B". Exhibit "B" contains proprietary and confidential information and is filed separately under seal. At this time, DV2 has not yet prepared audited financial statements.

4. Projected financial statements for three years (Balance Sheet, Income Statement, and Statement of Cash Flows).

DV2's projected financial statements for the upcoming year are attached hereto at Exhibit "B", which is confidential and proprietary and is filed separately under seal. DV2 has not yet completed projected financial statements for the subsequent two years.

- 5. Capital Costs budget for the three years including the following:
  - 1. Equipment to be deployed

The estimated costs of DV2's equipment to be deployed is as follows:

 Lucent Pathstar Switch:
 \$185,000

 Cisco 15454
 \$50,000

 Cisco 7576
 \$90,000

Cisco 6509 \$85,000 (each)

Cisco Access Path \$80,000 Cisco Call Manager \$18,000

Other Build-Out Expenses \$250,000 (includes HVAC and electricity)

2. Cost of Equipment, network, switches, and unbundled network elements

See response to question 5 (a) above. In addition, DV2's Pro Forma Income Statement, which is attached hereto at Exhibit "B", contains detailed information with respect to DV2's costs of equipment, network, switches and unbundled network elements.

3. Sources for funding the Tennessee network, equipment, UNEs: cash, loan commitments, vendor credits, letters of credit, etc. (complete detail)

DV2 intends to fund the construction of its Tennessee network through (i) cash flow from operations, (ii) sale of equity through private placements, and (iii) vendor financing.

6. TCA § 65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated § 65-4-301(b), or any telecommunications service

provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the authority. Provide a statement outlining the Applicant's intent to abide by TCA § 65-4-125 and provide a corporate surety bond by September 1, 2000 if applicable.

Pursuant to TCA § 65-4-125, DV2 intends to file a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) by September 1, 2000, to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under this title or the Consumer Telemarketing Protection Act of 1990.

### IV. <u>Numbering Issues</u>

Please provide answers to the following questions concerning numbering within your proposed service area.

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

DV2's expects to obtain two (2) NXXs per NPA within a year of approval of its application.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

DV2 estimates that it will request two (2) NXXs from NANPA when it establishes its service footprint.

3. When and in what NPA do you expect to establish your service footprint?

DV2 intends to establish its service footprint in the Nashville (615) NPA in approximately October, 2000.

4. Will the company sequentially assign telephone numbers within NXXs?

DV2 will not sequentially assign telephone numbers within NXXs.

5. What measures does the company intend to take to conserve Tennessee numbering resources?

DV2 intends to conserve numbering resources in Tennessee by assigning a significant percentage of an existing NXX prior to requesting a new NXX.

When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

DV2 will assign 80% of an existing NXX before initiating a request for a new NXX.

# V. <u>Tennessee Specific Operational Issues</u>

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

1. How does the company intend to comply with TCA § 65-21-114? In its description please explain technically how the company will not bill for countywide calls within Tennessee.

DV2 intends to comply with TCA  $\S$  65-21-114 by programming its switch so that certain telephone calls will not be billed. Accordingly, countywide calls will not be billed by DV2 within Tennessee.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

DV2 is generally aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter its telephone numbers in the database. DV2 intends to fully comply with such existing procedures.

3. How does your company intend to provide metro area toll-free calling ("MAC") around Memphis, Nashville, Knoxville and Chattanooga?

DV2 intends to provide MAC around Memphis, Nashville, Knoxville and Chattanooga by programming its billing system to charge a rate of zero dollars (\$0.00) for the applicable telephone calls.

4. Is the company aware of the MAC database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

As stated above, DV2 is generally aware of the MAC database maintained by BellSouth and intends to comply with the procedures to enter its telephone numbers in the database.

Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Jeffrey W. Hinkle, DV2 Inc., 55 Marietta St., NW, Suite 1720, Atlanta, Georgia 30303, (404) 230-9150.

5. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA § 65-4-401 et seq. and Chapter 1220-4-11?

DV2 does not intend to telemarket its services at this time.

### VI. <u>Miscellaneous</u>

1. Is DV2 bonded for the amount of the deposits?

No. At this time, DV2 does not intend to collect deposits from its customers.

2. Identify all complaints filed with state and federal regulatory agencies involving your company or affiliated entities. Identify the nature of the complaint, which governmental agency or office received the complaint, how was the complaint resolved?

No complaints have been filed with any state or federal regulatory agency against DV2.

We hope that this information is responsive to the TRA's requests. If you have any questions or comments, please call.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

April A. Ingram

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P.O. Box 198062

Nashville, Tennessee 37219

(615) 252-2302

cc: Charles A. Hudak, Esq.

# EXHIBIT "A"

# **DV2'S TECHNICAL AND MANAGERIAL QUALIFICATIONS**

#### **MANAGEMENT**

### Jeff Hinkle

#### President

### **Profile Summary:**

Mr. Hinkle's industry experience includes an extensive background in IT strategy and network infrastructure development. His career experiences have included clients in the financial, manufacturing, telecommunications, and service industries. He also has extensive functional experience in business planning, sales engineering, and organizational planning.

Mr. Hinkle has been involved in the startup and creation of business units in four multinational Fortune 500 companies including BellSouth, General Electric, Sun Data, and Air Liquide America. He is able to visualize coming trends, articulate them into a need, and guide the business from a leadership and p&l basis. He is familiar with the trials and tribulations of a startup and working to create an image.

Mr. Hinkle joined Sun Data, Inc. from General Electric ITS where he was the US Director of Engineering for LAN / WAN Communications. Prior to GE, Mr. Hinkle was a director with BellSouth in their data communications group. These were all new focus units within these organizations.

### QUALIFYING EXPERIENCES IN:

- LAN / WAN Infrastructure Design and Implementation
- Network Management Design and Implementation Private as well as large scale NMC projects
- LAN / WAN Protocol Analysis
- Information and Technology Strategy
- Business Process Design and Implementation
- Business Solution Selection, Design and Implementation
- Line of business creation and management
- Personnel management

#### SELECTED ACCOMPLISHMENTS:

- Performed complete infrastructure audit and planning review for major US Bank. Included all aspects of data communications infrastructure today as well as in the near future.
- Built line of business in high tech company and produced measurable profit in 1 year. Became largest Cisco volume reseller in SouthEast US in 1.5 years.
- Designed and installed ATM / Ethernet infrastructure for 1200 node headquarters building of two different Fortune 100 companies.

- Designed and implemented Frame Relay networks for over 50 separate clients.
- Designed a fully redundant ATM / Ethernet infrastructure for a 900 node LAN that included a private ATM over SONET (OC3) data center interconnect with circuit emulated extension of the PBX between sites.
- Participated in the design and installation of a Network Management Center for a major RBOC's Internet service offering.
- Analyzed, Selected managed implementation of a flexible MRPII system including new network infrastructure for an electronics manufacturer in Silicon Valley.
- Lead a Business Process Reengineering project for a Fortune 500 company that led to a data center consolidation and major accounting and manufacturing systems redesign.

# EDUCATION AND PROFESSIONAL TRAINING:

- BSBA Operations Management
   MBA Marketing
   Auburn University
   Saint Mary's
   San Francisco, CA
- Multi-Protocol / Multi-Vendor Internetworking
- Bridge / Router Installation Training
- Hands On T-Carrier Components and Operation
- Frame Rely / SONET / ATM / ISDN
- Comprehensive Knowledge of: CSU/DSU, Hubs, Bridges, Routers, Switches, Muxes, I-Muxes, Channel Banks
- Comprehensive product line knowledge of: Ascend, Bay Networks, Cisco, 3Com, Osicom, Motorola, USR, Kentrox, Larscom.